

WRITTEN TESTIMONY SUBMITTED TO THE APPROPRIATIONS COMMITTEE
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Testimony Regarding Senate Bill No. 342

**AN ACT CONCERNING THE RETIRED TEACHERS' HEALTH INSURANCE PREMIUM
ACCOUNT**

Senator Bye, Representative Walker and distinguished members of the Appropriations Committee, thank you for the opportunity to offer written testimony regarding Senate Bill No. 342, An Act Concerning the Retired Teachers' Health Insurance Premium Account. The bill has a significant financial impact and would require an additional \$8 million appropriation in FY 2015.

Public Act 12-1 of the June Special Session modified section 10-183t(a) of the statutes to allow the Medicare Part D retiree drug subsidy (RDS) reimbursements to offset the state's share of the Teachers' Retirement Board (TRB) basic health plan. The TRB basic health plan is a Medicare wrap around plan providing medical and pharmacy benefits to Medicare eligible teachers and their spouses.

In FY 2013, the state saved \$10.2 million dollars as a direct result of Public Act 12-1, and the state is expected to save at least \$8 million each fiscal year. Senate Bill 342 would delete the statutory language granting the use of RDS reimbursements to offset the state's share, and would require the legislature to add \$8 million to the Teachers' Retirement Board budget for FY 2015.

I thank the committee for the opportunity to present this written testimony. I respectfully request that the Committee not support this bill due to the negative financial impact to the FY 2015 budget and future budgets.